

**ASSEMBLY BILL**

**No. 37**

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**Introduced by Assembly Member Huffman**

December 6, 2010

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An act to add Section 8370 to the Public Utilities Code, relating to electricity, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 37, as introduced, Huffman. Smart grid deployment: smart meters.

(1) The federal Energy Independence and Security Act of 2007 states that it is the policy of the United States to maintain a reliable and secure electricity structure that achieves certain objectives that characterize a smart grid. Existing federal law requires each state regulatory authority, with respect to each electric utility for which it has ratemaking authority, and each nonregulated electric utility, to consider certain standards and to determine whether or not it is appropriate to implement those standards to carry out the purposes of the federal Public Utility Regulatory Policies Act. The existing standards include time-based metering and communications, consideration of smart grid investments, and providing purchases with smart grid information, as specified.

Under existing law, the Public Utilities Commission (CPUC) has regulatory authority over public utilities, including electrical corporations and gas corporations, as defined. Existing law requires the CPUC, by July 1, 2010, and in consultation with the State Energy Resources Conservation and Development Commission, the Independent System Operator, and other key stakeholders, to determine the requirements for a smart grid deployment plan consistent with certain policies set forth in state and federal law. Existing law requires that the smart grid improve overall efficiency, reliability, and cost-effectiveness

of electrical system operations, planning, and maintenance. Existing law requires each electrical corporation, by July 1, 2011, to develop and submit a smart grid deployment plan to the commission for approval.

This bill would require the CPUC, by January 1, 2012, to identify alternative options for customers of electrical corporations that decline the installation of wireless advanced metering infrastructure devices, commonly referred to as smart meters, as part of an approved smart grid deployment plan. The bill would also require the CPUC, when it has identified those alternative options, to require each electrical corporation to permit a customer to decline the installation of an advanced metering infrastructure device and make the alternative options available to that customer. The bill would also require the CPUC to disclose certain information to customers about the technology of smart meters. The bill would require the CPUC to direct each electrical corporation to suspend the deployment of advanced metering infrastructure until the CPUC has complied with the above requirements.

(2) Under existing law, a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the CPUC is a crime.

Because the bill would require action by the CPUC to implement certain of its requirements, a violation of which would be a crime, these provisions would impose a state-mandated local program by creating a new crime.

(3) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

(4) This bill would declare that it is to take effect immediately as an urgency statute.

Vote:  $\frac{2}{3}$ . Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 8370 is added to the Public Utilities Code,
- 2 to read:
- 3 8370. (a) By January 1, 2012, the commission shall do all of
- 4 the following:

1 (1) Identify alternative options for customers of electrical  
2 corporations that decline the installation of wireless advanced  
3 metering infrastructure devices as part of a smart grid deployment  
4 plan approved by the commission pursuant to this chapter. The  
5 alternative options identified by the commission shall provide  
6 reliability and efficiency equivalent to the approved devices.

7 (2) When the commission has identified alternative options in  
8 accordance with paragraph (1), it shall require each electrical  
9 corporation to permit a customer to decline the installation of an  
10 advanced metering infrastructure device, and to make alternative  
11 options identified pursuant to paragraph (1) available to that  
12 customer.

13 (3) Direct each electrical corporation to disclose to customers  
14 information about the technology of advanced metering  
15 infrastructure devices, including radio frequency, magnitude of  
16 signal, and duration of signal.

17 (4) Assess the net effect of customers declining the installation  
18 of advanced metering infrastructure devices on smart grid reliability  
19 and efficiency.

20 (b) The commission shall direct each electrical corporation to  
21 suspend the deployment of advanced metering infrastructure until  
22 the commission has complied with the requirements of subdivision  
23 (a).

24 SEC. 2. No reimbursement is required by this act pursuant to  
25 Section 6 of Article XIII B of the California Constitution because  
26 the only costs that may be incurred by a local agency or school  
27 district will be incurred because this act creates a new crime or  
28 infraction, eliminates a crime or infraction, or changes the penalty  
29 for a crime or infraction, within the meaning of Section 17556 of  
30 the Government Code, or changes the definition of a crime within  
31 the meaning of Section 6 of Article XIII B of the California  
32 Constitution.

33 SEC. 3. This act is an urgency statute necessary for the  
34 immediate preservation of the public peace, health, or safety within  
35 the meaning of Article IV of the Constitution and shall go into  
36 immediate effect. The facts constituting the necessity are:

- 1 In order to ensure that utility customers in California are able to
- 2 make informed decisions about the deployment of smart grid
- 3 technology, it is necessary for this act to take effect immediately.